



PAKISTAN TELECOMMUNICATION AUTHORITY
HEADQUARTERS, F-5/1 ISLAMABAD
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**Enforcement Order under sub-section 3 of Section 23 of the Pakistan
Telecommunication (Re-organization) Act, 1996 in the Case of
M/s NOOR TELECOMMUNICATION (PVT.) LTD.**

File No. DIR (C)/L/PTA/468/2002
PTA/Wireline Licensing/Noor Telecom/386/2006

Date of Issuance of Show Cause Notice: 29th September, 2006
Date of Hearing: 06th December, 2006
Venue of Hearing: PTA H/Qs, Islamabad

The Panel of Hearing Present:

Director General (Finance)	Head
Director (Litigation & Adjudication)	Member
Director (Wireline Licensing)	Member

The Issue:

“Change of management without prior approval of the Authority”

Ex-parte Decision of the Officers of the Authority

1. BRIEF FACTS:

1.1 M/s Noor Telecommunication (Pvt.) Ltd. (the “licensee”) was awarded a non-exclusive license No. DIR(C)/L/PTA/468/2002 dated 03-12-2002 by the Pakistan Telecommunication Authority (the “Authority”) to establish, maintain and operate Card Pay Phone Service in Province Sindh on the terms and conditions contained in the license. As a licensee of the Authority, M/s Noor Telecommunication (Pvt.) Ltd. was required to comply with the provisions of the

prevailing regulatory laws comprising of the Pakistan Telecommunication Authority (Re-organization) Act, 1996 (the "Act"), the Pakistan Telecommunication Rules, 2000 (the "Rules"), PTA (Functions & Powers) Regulations, 2004, (the "Functions & Powers Regulations"), the Card Payphone Service Regulations, 2004 (the "Regulations") and the terms and conditions of the license.

1.2 Section 21 (4) (j) of the Act, rule 11 of the Rules, regulation 14 of the Functions & Powers Regulations, clause 32 of the Regulations and clause 9.1 of the conditions of the license impose restrictions on transfer or assignment of the license and declare that the license shall be personal to the licensee and shall not be assigned, sub-licensed to, or held on trust for any person, without the prior written consent of the Authority. Moreover, regulation 14 (1) of the Functions & Powers Regulations reads as:

"Neither the license nor the rights granted therein shall be transferred, assigned or disposed of in any manner or transfer directly or indirectly the control of the licensee to any person either by way of sale of share or otherwise that may result in substantial change in ownership or control of the licensee except with the prior approval of the Authority".

1.3 The licensee i.e. M/s Noor Telecommunication (Pvt.) Ltd. changed its management in 2006 without prior approval from the Authority in contravention of the statutory provisions mentioned above. The issue came into the knowledge of the Authority when the licensee informed and submitted documents pertaining to change of management vide letter dated 19th May 2006. The documents were evaluated and Form 29 showed that substantial change in the ownership and control of the licensee has taken place without prior approval of the Authority and two new directors, namely, Muhammad Masroor Qamar (Chief Executive) and Kashif Ali (Director) have replaced the directors to whom the license was granted, namely, Muhammad Mahmood Qamar and Mrs. Rohela Qamar, in contravention of the above-said provisions. Hence, a Show Cause Notice (the "Notice") under section 23 of the Act was issued to the licensee on 29th September 2006, which was not responded by the licensee and was received back by the Authority as undelivered.

1.4 In order to proceed further in the matter, the licensee was required to appear before the hearing panel for personal hearing through Hearing Notices dated 23rd November, 2006 and 30th November, 2006 for hearing on 29th November, 2006 (1st hearing) and 6th December, 2006 (2nd hearing), respectively, but both the hearing notices were returned undelivered and none appeared before the hearing panel on the said dates of hearings.

1.5 The case was presented before the hearing panel by highlighting that the licensee has violated statutory provisions as mentioned in para 1.2 of this enforcement order. Hence, any change in management of the company without seeking prior approval of the Authority is a severe violation of the aforementioned statutory provisions. However, during hearing, the panel desired that prior to pronouncement of any ex-parte order against the licensee, its status report be obtained through Enforcement Division. The case was then forwarded to the said division of the Authority on 8th December, 2006, which after carrying out its investigation and retaining the file till 22nd of March, 2007, informed, while referring to zonal office Karachi letter dated 16th March, 2007, that the offices of the company at given addresses have been closed and none of the neighbours know the whereabouts of the company/licensee.

2. ORDER

2.1 The hearing panel scrutinized all the documents, which revealed that the licensee has changed management of the company without prior approval of the Authority and has violated the relevant mandatory provisions of the Act, the Rules, the Regulations and the terms and conditions of the license. The attitude of the licensee, however, is not positive and shown its least interest in providing the licensed services. According to Finance, the licensee has paid Rs. 30,000/- as annual license fee (ALF) for the years 2004 -2005 but penalty of Rs. 3,000/- for the year ended June 30, 2005 is still outstanding. In addition, the licensee has also not provided annual audited accounts (AAAs) for the year ended June 30, 2006 and annual license fee thereof, accordingly.

2.2 We, after careful perusal of the record, came to the conclusion that the licensee has violated the statutory provisions mentioned at para 1.2 above, and has thus exposed itself to the penal provisions of sub-section (3) of section 23 of the Act. Hence, we hold and decide as under:

- (a) the Card Pay Phone Service (CPPS) license of the licensee bearing number DIR(C)/L/PTA/468/2002 issued by the Authority dated 03-12-2002, is hereby SUSPENDED with immediate effect;
- (b) the licensee is directed to provide annual audited accounts (AAAs) for the year ended June 30, 2006 and deposit annual license fee calculated thereon, accordingly, plus penalty of Rs. 3,000/- for the year ended June 30, 2005 within seven (7) days of this enforcement order, at which its license may be restored subject to conditions;

- (c) in case of failure of the licensee to deposit PTA dues as provided in para 2.2 (b) above, license No. DIR(C)/L/PTA/468/2002 of the company shall STAND TERMINATED and recovery proceedings under section 30 of the Act may be initiated by the Authority against the company for recovery of dues as arrears of land revenue; and
- (d) M/s PTCL is informed of the instant enforcement order and is directed to suspend the telecommunication facilities forthwith until further orders, extended to the licensee i.e. M/s Noor Telecommunication (Pvt.) Ltd. through license No. DIR(C)/L/PTA/468/2002 dated 03-12-2002.

Director (Licensing)

Director (Litigation & Adjudication)

Director General (Finance)

This enforcement order is passed on ___ April, 2007 and comprises ____ pages.